

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

DOCKET NO. 99-512

AUGUST 19, 1999

FARMINGTON FALLS WATER COMPANY  
Application for Approval of  
Issues of Securities (§902) (\$28,600)

ORDER APPROVING  
ISSUES OF SECURITIES

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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In this Order we approve the issuance of a note in an amount not to exceed \$28,600 by the Farmington Falls Water Company. On July 27, 1999, the Company filed with the Commission its application for authority to issue its note in a sum not to exceed \$28,600 through Peoples Heritage Bank at an annual rate not to exceed 9.85 percent. The debt will be paid over a term not to exceed 8 years. The borrowing was completed on July 1, 1999. This application has been made, after the fact, to rectify the problem of the Company's issuing long term debt before receiving Commission approval to do so.

The Company requires these funds for the purpose of refunding the balance of a higher interest rate loan and for various capital improvements, including the installation of a hydro-pneumatic tank, check valve and plumbing to supply water to the booster station; installation of a second pump and controls; installation of manual-transfer generator switches; and replacement of a flow meter, pressure relief valve, and miscellaneous piping at the pump house.

Having reviewed the application of the Company, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the bonds are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. The Commission reminds the Company that it is required to obtain Commission approval before it issues long term debt. In approving this securities issue, consistent with normal practice and pursuant to § 902 (4), the Commission does not imply approval of the Company's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, we

O R D E R

1. That the Farmington Falls Water Company is hereby authorized to issue its note in a sum not to exceed \$28,600, to be used solely for the purposes described in this Order and at a rate not to exceed 9.85 percent per year through the Peoples Heritage Bank, for a term not to exceed 8 years.
2. That the Administrative Director is hereby directed to mail an attested copy of this Order to interested parties and that this Docket be closed.

Dated at Augusta, Maine, this 19<sup>th</sup> Day of August 1999.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR: Welch  
Nugent  
Diamond